

DAVID DREIER  
CALIFORNIA

CHAIRMAN  
COMMITTEE ON  
RULES



341

237 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-2305

2220 EAST ROUTE 66, SUITE 225  
GLENDDORA, CA 91740  
(626) 852-2626  
(866) 373-6321

<http://www.house.gov/dreier>

Congress of the United States  
House of Representatives

Washington, DC 20515

May 18, 2004

Mr. William Donaldson  
Chairman  
Securities and Exchange Commission  
450 5th Street, NW  
Washington, D.C. 20549

57-10-04

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Dear Mr. Donaldson:

I am writing in support of a functional "opt-out" provision to the current trade-through rule being included in any final rules under Reg NMS.

As you know, the trade-through rule, enacted over 20 years ago, was intended to ensure that investors received the best advertised quote in trade transactions. However, technological advancement, increased market competition, and enhanced investor knowledge, have re-shaped our financial markets, changing the applicability of the trade-through rule. Although investors are supposed to receive the best listed price, there is no guarantee that they will actually attain this value at execution, possibly resulting in substantial financial loss for themselves or the millions of other investors they represent through pension plans, mutual funds, and other investment vehicles.

Today, enhanced investor choice and increased market transparency are the surest ways to reach efficient financial markets and secure greater opportunities for asset appreciation. The "opt-out" provision as proposed would allow knowledgeable investors to exercise greater discretionary control over their assets, giving them confidence that their transactions will be executed with maximum certainty and efficiency. This will lead to increased competition as market providers vie for business, ultimately reducing costs and enhancing the strength of our securities markets. Electronic markets, such as the NASDAQ and ECNs that trade NASDAQ-listed stocks, have operated very efficiently and effectively without the trade-through rule, and investors have clearly benefitted from choice and competition in market providers.

Thank you for your consideration of this matter.

Sincerely,

David Dreier

MR. CHAIRMAN  
EW TO YOU SITTING  
W/TA YOUX W/RS  
AT 7775 W.F.H.  
CO MBS PULLING  
DREIER  
FOR

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